

Frederick County Department of Housing and Community Development

520 North Market Street

Frederick, MD 21701

www.frederickcountymd.gov/housing



FREDERICK COUNTY HOME INITIATIVE PROGRAM FOR DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE

Purpose of Program

The Frederick County HOME Initiative Program allows local families with limited resources to obtain their first home with State of Maryland HOME funded down payment/closing cost loan assistance. Loans have 0% interest and are deferred. The loans require liens on the property with repayment at: 1) the earlier of sale, refinance or transfer of title on the property; or 2) when the property is no longer the primary residence of the owner. The HOME/State lien shall be released after five years, if all lien covenants are met.

There are two options to apply for this loan:

- 1) Application made by a lender (please no real estate agents or brokers) on behalf of a homebuyer for a property anywhere in the county, with application directly to Frederick County Department of Housing and Community Development (DHCD), with loan amount greater than \$1,000 and up to \$5,000; or
- 2) Application in conjunction with a USDA Rural Development direct mortgage for a property outside of Frederick City in a rural area of the county, as determined by USDA. Applications are made through USDA at 301-797-0500, extension 4, to begin the application process for a mortgage. USDA will make application for the HOME loan on behalf of the homebuyer.

Note: The turnaround time for the processing, approval and funding to settlement of a **complete** loan application is 30 days.

Green Homes Challenge Component

To help new homebuyers keep home ownership and utility bills affordable, DHCD partners with the Frederick County **Green Homes Challenge**, a program of the Office of Sustainability and Environmental Resources (OSER). *After settlement*, DHCD will provide homebuyers a package of energy saving information. The homebuyers will be invited to register with the **Green Homes Challenge** and attend one of OSER's monthly **Powerware Parties**, during which participants learn about the **Challenge** and the necessary steps to reduce energy use and become **Certified Power Savers**. Homebuyers who register with the Challenge may receive a certificate for a no-cost Comprehensive Home Energy Audit through the Potomac Edison's Watt Watchers program (based on availability). Registered households are encouraged to implement one audit-recommended energy saving project, and can request guidance from OSER staff and volunteers. All HOME homebuyers may also request Green Homes Challenge Handbooks to learn about energy saving actions, strategies for living a greener lifestyle, and renewable energy options. **Challenge Takers** will be offered resources for taking energy saving steps, tracking energy and utility bill savings, and reaping rewards for energy savings. For further information on the Green Homes Challenge, please contact: Sabrina Harder at 301.600.7414; or by email at sharder@frederickcountymd.gov.

HOME Eligibility Criteria

1. 1st time homebuyer – may not have owned a home in the three (3) year period prior to application.
2. The property must be the primary residence.
3. Total gross household income must be at or below the Washington Area Median Income (AMI) limit set by the U.S. Department of Housing and Urban Development (HUD) for the HOME Program. See the income limits table on the website; look in the HOME column.
4. The applicant(s) must complete homebuyer education training by a HUD approved housing counseling agency. In Frederick County this is the Frederick Community Action Agency; call Brad Petersen 301-600-3966 or Joe Baldi 301-600-2077.
5. The property must pass a Housing Quality Standards (HQS) inspection, conducted at no cost by DHCD.
6. A ratified sales contract must be submitted with the application.
7. An appraisal must be completed and submitted prior to settlement.
8. The house value limit is \$362,790.
9. Co-signors are not permitted.
10. This loan may not be used with any other DHCD funded homebuyer assistance program.

Legal Documents

After approval of the HOME Initiative application, DHCD prepares legal documents to secure repayment to the Maryland Department of Housing and Community Development – the Deed of Trust lien for recordation in the land records and a Promissory Note.

Appeal

An applicant may appeal any decision to the Director of DHCD by filing a written request within ten business days of receiving a denial letter. Applicants may write to the Director of Housing, 520 North Market Street, Frederick, Maryland 21701. The Director shall conduct the review and reply to the applicant within ten business days of receipt of the appeal letter.

For More Information

Heather Sutton, Loan Processor
Frederick County, Maryland
Department of Housing and Community Development
301-600-6647
hsutton@frederickcountymd.gov

USDA Rural Development
Bonnie Rohrer
301-797-0500 Ext. 4

